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From: nkerley@sbcglobal.net [mailto:nkerley@sbcglobal.net]
Sent: Wednesday, October 19, 2005 2:55 PM
To: ATR-Real Estate Workshop
Subject: ""Competition Policy and the Real Estate Industry."

To The FTC & DOJ,

This letter is in regards to the up coming meeting regarding ""Competition Policy and the Real Estate Industry."

My name is Nick Kerley and I live in Santa Clarita California where I have been a REALTOR for the past four years. In that time our local REALTOR board has grown from under a 1,000 to well over 2,000 members. That's about a 50% increase in independent contractors (REALTORS) where the population has only seen about a 15% increase. In our market that leaves over 2,000 REALTORS to compete over about 850 listings or 1,700 (ones a buyer, ones a seller) possible transaction sides a month, and that means over 300 REALTORS a month are not going to earn a pay check. With over 300 people all doing the same relative job and not earning a paycheck that generates huge competition that I feel many industries would not be able to weather and would go out of business. The fact is according to California Association of Realtors a new REALTOR only last 18 months in the business.

The real estate industry is a model of competition that works. In an economy in which large, national corporations -- such as Wal-Mart and Microsoft -- dominate the marketplace, real estate stands apart. We are an industry made up predominantly of small businesses and independent contractors who represent the entrepreneurial spirit this country was founded on.

All of us serve localized markets where we compete for business every day. Fierce competition is fueled largely by the uniquely intense and personalized nature of the service we provide to our clients -- which, in turn, determines our future success through referrals and return business.

Barriers to entry are low. If you are willing to take the time to learn the business in your local market, pass the state license examination and adhere to the REALTOR code of ethics, there is nothing to stand in the way of success in this industry. I had to learn the business and pass the state licensing examination, but it is my own work ethic, commitment to professional standards and dedication to client satisfaction that determine my success.

Even through the economic downturns our country has experienced in the past few years, our industry has continued to provide opportunity -- something I would say is confirmed by the thousands of new agents that join our profession every year and the over 2 million Americans who are now licensed to provide professional real estate services in communities across the country.

Nothing encourages a competitive business environment more than providing consumers with choice. In the residential real estate marketplace, consumers not only are able to choose from more than 76,000 brokerage firms and more than 1.2 million REALTORS, but also from a variety of business models.

Sincerely,

Nick Kerley-Realty Executives
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